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RESERVE

Food Stamp Facts

Household Income Deductions



The Food Stamp Program enables low-income households to buy more food of greater variety to improve their diets. Participants pay a small sum of money—the amount based on family size and net monthly income—and receive a larger value of food stamps, which can be spent like money in participating food stores.

To qualify for food stamp benefits, households must meet certain nationwide eligibility standards such as income and work registration. Except in special circumstances, food stamp households must be able to prepare meals. Participants are allowed certain deductions in determining their income eligibility and purchase requirement. This fact sheet discusses those income deductions.

1. WHAT HOUSEHOLD EXPENSES CAN BE DEDUCTED FROM INCOME?

- (a) Ten percent of earned income or training allowance not to exceed \$30 per household per month.
- (b) Mandatory income deductions such as—
 - Local, State, and Federal income taxes
 - Social Security taxes
 - Retirement payments
 - Union dues
 - Some types of garnishments.
- (c) Medical costs, exclusive of special diets, if more than \$10 a month.
- (d) Payments for child or invalid care when this care is necessary to enable a household member to accept or continue employment or participate in job training.
- (e) Tuition and required fees for education. This *does not* include such expenses as books, school supplies, meals at school and transportation.
- (f) Unusual expenses such as losses due to fire, hurricane, flood, or theft and costs of funerals.
- (g) Court-ordered support and alimony payments.
- (h) Shelter costs which are more than 30 percent of household income as calculated *after all other* deductions. Shelter costs are—
 - Utilities (heating or cooking fuel, electricity, basic service fees for one telephone, water, sewerage fees)
 - Rent
 - Mortgage payments and interest on applicant's own home
 - Real estate taxes and special State or local assessments on applicant's own home.

2. WHAT INCOME GARNISHMENTS CAN BE DEDUCTED?

The only allowable garnishments are those for items which would have been deductible if they had been paid when due (for example, medical costs of over \$10 a month).

3. IF MONTHLY MEDICAL COSTS ARE \$15, IS ONLY \$5 DEDUCTIBLE?

No. The entire medical costs of \$15 are deductible. However, if costs are \$9, there would be no deduction.

4. HOW WILL MANDATORY DEDUCTIONS, CERTAIN OTHER EXPENSES, AND SHELTER COSTS BE DEDUCTED?

Here is an example of the calculations for allowable deductions:

(a) Mandatory deductions	\$ 35	(c) Shelter costs	\$ 110
Medical expenses	15	30% of remaining income	-105
Total expenses	\$ 50	Allowable shelter deduction . .	\$ 5
(b) Monthly household income . .	\$ 400	(d) Remaining income	\$ 350
Less above expenses	-50	Shelter deduction	-5
Remaining income	\$ 350	Net food stamp income	\$ 345

5. I WAS CERTIFIED FOR FOOD STAMPS ON JULY 10TH. CAN I DEDUCT A \$50 MEDICAL EXPENSE I PAID IN JUNE?

No. You can only deduct those expenses you met during the period of certification.

6. CAN I DEDUCT THE COST OF A NEW BATTERY FOR MY TRUCK?

No. You may not deduct the costs of repair of property, clothing, etc. because of wear and tear, mechanical failure, or other reason not directly connected with a household disaster.

Any food stamp participant may request a fair hearing if he feels a decision regarding his participation has been unfair. Each household should be informed of its right to a fair hearing at the time of application. The standards for participation in the Food Stamp Program are the same for everyone without regard to race, color, religious creed, sex, national origin, or political beliefs.

**FOR FULL AND COMPLETE INFORMATION, CONTACT YOUR LOCAL FOOD STAMP
CERTIFICATION OR WELFARE OFFICE**

The Food Stamp Facts series include:

- Allotments and Purchase Requirements (FNS-70)
- Household Income Deductions (FNS-74)
- Work Registration (FNS-71)
- Meals-on-Wheels (FNS-75)
- Eligibility Requirements (FNS-72)
- Recipient Responsibility (FNS-76)
- Fair Hearing (FNS-73)
- Disaster Situations (FNS-99)

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